FICO®
Extended Score 4

More inclusive and predictive

The FICO® Score 4 Suite outperforms prior FICO® Scores in market, offering the precision you need based on a proven blueprint as well as broadens financial inclusion. The score you know and trust with more power and flexibility than ever.

FICO, in partnership with Círculo de Crédito, has redeveloped FICO® Extended Score 4, using sophisticated artificial intelligence and machine learning modeling techniques leveraging both individual and household data to help lenders in Mexico make household-level lending decisions. FICO® Extended Score 4 is designed to rank-order consumers by how likely they are to pay their credit obligations as agreed while expanding the scorable universe through the incorporation of household-level data.

FICO. | círculo de crédito

Expand to new consumers/ financial inclusion

FICO® Extended Score 4 can score an additional 8 million consumers in Mexico through the inclusion of household-level data unique to our partner Círculo de Crédito. These new data sources and expanded predictive characteristics help lenders to gain additional insights into a consumer's likelihood of repayment. The model analyzes the information available on the credit bureau profile for the applicant, as well as select household-level characteristics, including relevant information furnished by the lender, and produces a numeric score in the range of 300-850 that is indicative of the future credit risk.

Greater predictive power

FICO® Extended Score 4 based on Círculo de Crédito data improves the assessment of a borrower's credit risk by intelligently interpreting data and providing a numerical snapshot of a consumer's repayment risk.

Powerful decision support

- Expand into new consumer markets with increased scorability and predictive power through the inclusion of extended consumer data

- FICO® Extended Score 4 uses the same design footprint and is aligned with previous versions of the FICO Score in Mexico which simplifies implementation and underwriting strategy design

- Increase portfolio profitability and reduce losses

- Bring insights available from extended consumer data to bear on credit risk decisions

- Expanded score performance through the use of the latest statistical techniques, including AI and machine learning to increase the sophistication of characteristic selection and segmentation analysis to ensure optimum score performance

- Leverage expanded use of alternative tradeline data, which increases performance across industry types, including consumer lending, insurance, utility, and telecommunications

Current data to ensure relevance

FICO® Extended Score 4 was developed and tested using the most recent data available from Círculo de Crédito designed to address issues specific to regional lending practices, current consumer behavior, and the credit environment. The score was tested and validated with data from multiple periods to ensure robust performance in both normal economic circumstances and during a period of evolving economic challenge, such as the COVID-19 pandemic.

Stability across economic conditions

FICO® Extended Score 4 has been tested on multiple samples to confirm that, during a period of uncertainty caused by the impact of the COVID-19 pandemic, the score continues to provide strong predictive power despite economic uncertainty. The score was developed on a dataset from March 2019 through March 2020 and validated against April 2020 to April 2021 snapshots to ensure robust performance across different economic conditions.

Outperforms prior FICO® Extended Score in market in key use cases

Building off continued research, new data samples, FICO's state of the art analytic capabilities, and predictive technologies in machine learning, FICO® Extended Score 4 provides up to 18% predictive lift over previous versions of the FICO® Score. Observed score distributions are very consistent with prior models.
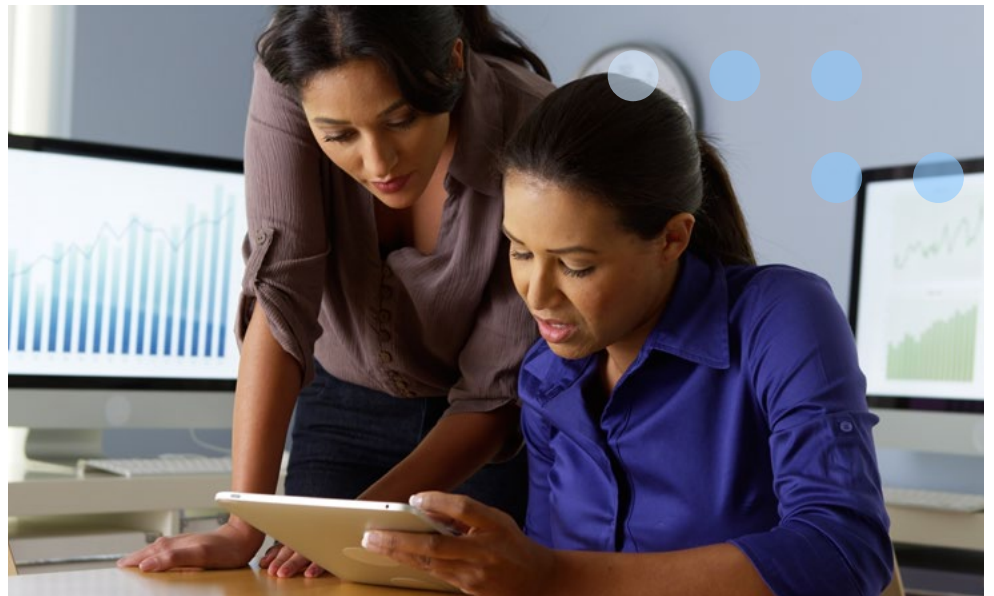
Model performance metrics

FICO® Extended Score 4 based on Círculo de Crédito data shows stronger predictive power over previous score versions.

Trade-Off Curve - Acceptance Rate vs Delinquencies

The Trade-off Curve depicts that FICO® Extended Score 4 is able to identify up to 10% additional delinquencies while maintaining the current level of acceptance rates, which can help lenders increase profitability in their lending portfolio.
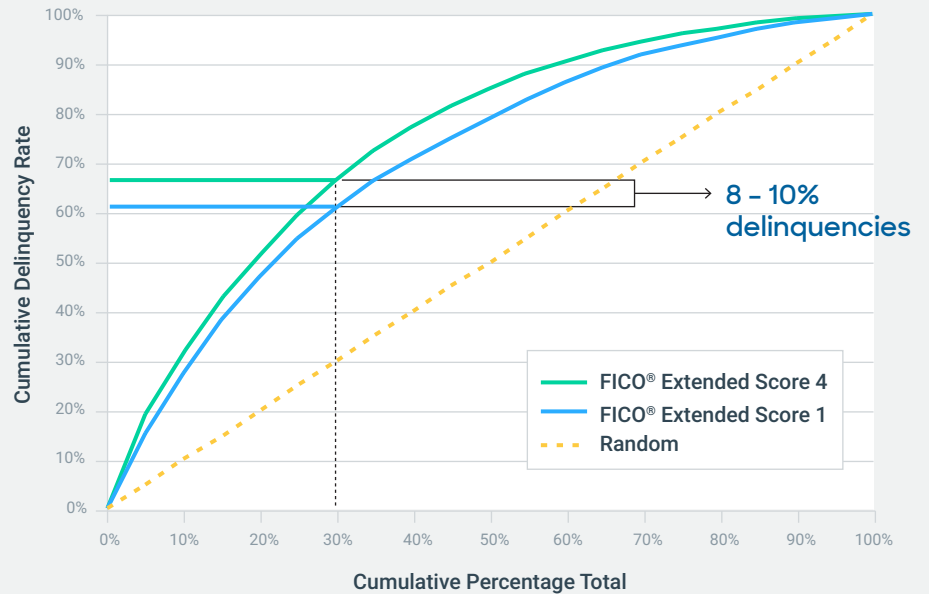
Delinquency rate by score range

FICO® Extended Score 4 rank-orders risk while identifying more delinquencies at the lower range of FICO® Scores. This allows the lender to make better lending decisions based on the risk profiles of different borrowers.

Trade-off Curve
FICO® Extended Score 4: Acceptance Rate vs Delinquency/losses

**Additional 8 – 10% delinquencies may be identified while maintaining the same acceptance rates**

FICO® Extended Score 4, based on Círculo de Crédito data
Performance Window: March 2019 – March 2020

FICO® Extended Score 4: Delinquency Rate across FICO Score ranges

FICO® Extended Score 4 may identify more delinquencies at lower score ranges

FICO® Extended Score 4, based on Círculo de Crédito data
Performance Window: March 2019 – March 2020
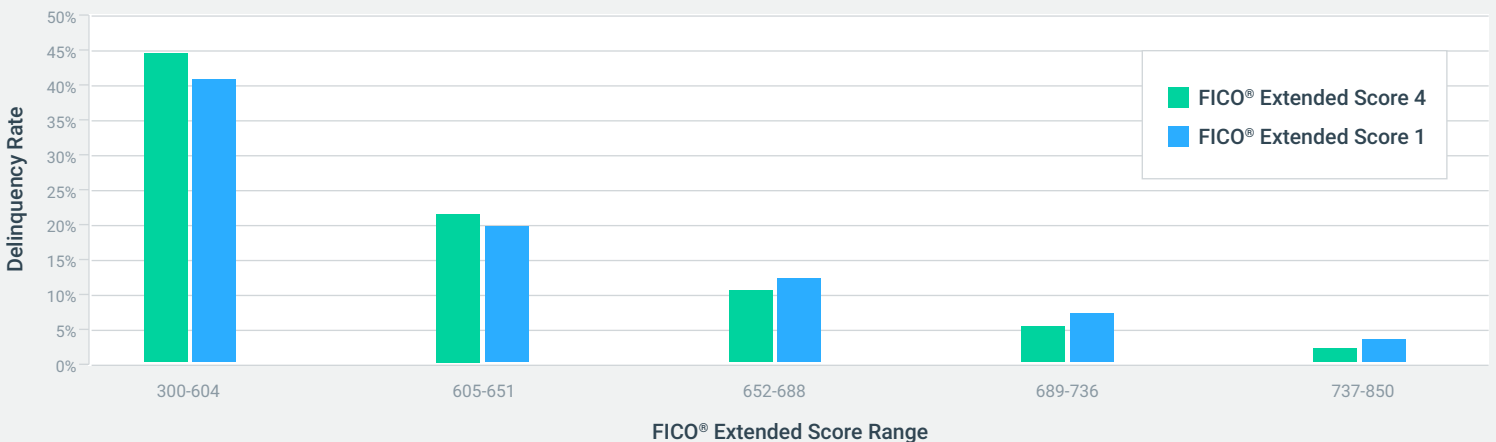
Leverage FICO's expertise across industries and lifecycle stages

Credit risk scoring is an effective means to predict how likely consumers are to pay credit obligations as agreed. FICO® Extended Score 4, along with the FICO® Score 4 available from Círculo de Crédito, provide a suite of tools to lenders seeking to harness FICO's credit industry expertise. Both scores use current Mexico-market data to enable consumer credit risk prediction.

About FICO® Scores

FICO® Score was specifically designed to seamlessly incorporate the entirety of the credit file, making it ideal for Mexico's large and dynamic population. The score allows for consistent decisions across multiple industries, including consumer credit underwriting, insurance risk underwriting, telecommunications, and utility service underwriting. It can also be used across credit products and lifecycles — from account origination to account management and collections. The score presents as a range of 300–850, with higher scores indicating lower credit risk. Based on the score, lenders can determine if they want to grant credit to applicants and at what terms.

Access risk and make more informed decisions across consumer lifecycle stages and industries, including:

→ Mortgage

→ Bankcard

→ Auto

→ Insurance

→ Personal Loans

Find out more about how your organization can benefit from credit-bureau scoring solutions by contacting either your Círculo de Crédito or FICO representative, ficoscoreinfo@fico.com.

FICO, in partnership with Círculo de Crédito

FICO® | **círculo** de crédito

FICO

More Precise Decisions